Corporate Release
Valby, Denmark, November 10, 2021

Financial report for the period January 1 to September 30, 2021

Lundbeck continues solid operational performance with strong growth from strategic brands in Q3 2021

HIGHLIGHTS

Revenue reached DKK 12,246 million in the first nine months of 2021, a decline of 5% in local currencies primarily due to loss of exclusivity erosion on Northera®. EBIT grew 29% compared to the same period in 2020 and reached DKK 2,004 million. EBIT margin reached 16.4%. EPS grew by 28% for the period, reaching DKK 6.64.

In aggregate, strategic brands grew 17% in local currencies reaching DKK 6,815 million in the first nine months of the year, representing 56% of total revenue. In the third quarter of 2021, all strategic brands have continued their double-digit growth. Based on trends in Trintellix and Rexulti in the U.S., there is a gradual uptick in new patient starts as the pandemic wanes, further supporting positive growth.

The newest product in the portfolio, Vyepti®, continues to grow strongly since its launch in April 2020, reaching DKK 328 million in the first nine months of 2021 compared to DKK 42 million for the same period last year. Vyepti is approved in seven markets, commercially launched in two markets and regulatory review is ongoing in 14 markets including Europe.

Strategic brand performance:

- Revenue of Abilify Maintena®: DKK 1,810 million (up 7% in local currencies, 5% reported)
- Revenue of Brintellix®/Trintellix®: DKK 2,565 million (up 16% in local currencies, 11% reported)
- Revenue of Rexulti®/Rxulti®: DKK 2,112 million (up 13% in local currencies, 5% reported)
- Revenue of Vyepti®: DKK 328 million (up 731% in local currencies, 681% reported)

Market performance:

- Revenue in North America: DKK 6,068 million (down 12% in local currencies, 17% reported)
- Revenue in International Markets: DKK 3,281 million (up 5% in local currencies, 1% reported)
- Revenue in Europe: DKK 2,608 million (up 4% in local currencies, 4% reported)

In connection with the financial report, Lundbeck's President and CEO Deborah Dunsire said:
"I am very pleased with the results for the first nine months of the year. Our brands are continuing to perform well across all markets and delivering solid growth and Vyepti continues to have good uptake. Our transformed approach to R&D is showing results, with an expanding early- and mid-stage pipeline. The recent addition of an early stage CD40L inhibitor into our early-stage portfolio gives us a promising start to further develop our neuroimmunology platform. I see a strong future ahead of us."

Key figures:

DKK million	9M 2021	9M 2020	*Growth*
Core Revenue*	**12,246**	13,397	*(9%)*
Core EBIT*	**2,973**	3,644	*(18%)*
Core EPS*	**10.48**	14.60	*(28%)*
*Core EBIT margin**	***24.3%***	*27.2%*	
Reported Revenue	**12,246**	13,397	*(9%)*
Reported EBIT	**2,004**	1,559	*29%*
Reported EPS	**6.64**	5.17	*28%*
Reported EBIT margin	***16.4%***	*11.6%*	

*For definition of the measures "Core Revenue", "Core EBIT", "Core EBIT margin" and "Core EPS", see note 5● *Core reporting*

The phase IIIb *DELIVER*-study with Vyepti, in patients with migraine that failed 2-4 prior treatments, met its primary endpoint of change from baseline in the number of monthly migraine days (MMDs), and also significantly more patients treated with Vyepti vs placebo had a 50%, or greater, reduction in MMDs.

Lundbeck has initiated a phase II PoC study for potential new treatment of multiple system atrophy (MSA) with Lu AF82422, which represents a novel approach for potential treatment of MSA, a condition with a high and urgent unmet medical need.

Lundbeck has received exclusive, worldwide rights to APB-A1 (now Lu AG22515), a differentiated anti-CD40 ligand (CD40L) antibody, ready for phase I testing in the beginning of 2022.

Core EBIT reached DKK 2,973 million and Core EBIT margin reached 24.3%. Profitability is benefitting from COVID-19 related cost avoidance but is also negatively impacted by Northera erosion on the revenue side.

The financial guidance for 2021 is maintained. Lundbeck expects revenue to reach DKK 16.3 – 16.6 billion. Core EBIT is expected to reach DKK 3.3 – 3.6 billion and EBIT to reach DKK 2.0 – 2.3 billion.

H. Lundbeck A/S
Investor Relations

Ottiliavej 9
DK-2500 Valby
Copenhagen

Phone: +45 36 30 13 11
www.lundbeck.com
CVR-nr.: 56759913
LEI code: 5493006R4KC2OI5D3470

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FINANCIAL HIGHLIGHTS AND KEY FIGURES

	9M 2021	9M 2020	Q3 2021	Q3 2020	FY 2020
Financial highlights (DKK million)					
Core revenue	**12,246**	13,397	**4,013**	4,463	17,672
Core profit from operations (core EBIT)	**2,973**	3,644	**826**	1,161	4,436
Reported revenue	**12,246**	13,397	**4,013**	4,463	17,672
Operating profit before depreciation and amortization (EBITDA)	**3,280**	3,781	**933**	1,145	4,783
Reported profit from operations (EBIT)	**2,004**	1,559	**526**	625	1,990
Net financials, expenses	**311**	72	**114**	72	84
Profit before tax	**1,693**	1,487	**412**	553	1,906
Tax	**373**	459	**91**	140	325
Profit for the period	**1,320**	1,028	**321**	413	1,581
Equity	**18,083**	16,726	**18,083**	16,726	16,973
Assets	**35,119**	36,641	**35,119**	36,641	36,029
Cash flows from operating and investing activities (free cash flow)	**1,557**	2,521	**1,081**	1,042	3,370
Purchase of property, plant and equipment, gross	**244**	193	**100**	98	364
Key figures					
Core EBIT margin (%)	**24.3**	27.2	**20.6**	26.0	25.1
EBIT margin (%)	**16.4**	11.6	**13.1**	14.0	11.3
Return on equity (%)	**7.5**	6.1	**1.8**	2.5	9.4
Return on equity (%) – rolling four quarters	**10.8**	7.0	**10.8**	7.0	9.4
Net debt/EBITDA (x) – rolling four quarters	**0.8**	1.1	**0.8**	1.1	0.9
Share data					
Number of shares for the calculation of EPS (millions)	**198.7**	198.7	**198.6**	198.7	198.7
Number of shares for the calculation of DEPS (millions)	**198.7**	198.7	**198.6**	198.7	198.7
Earnings per share, basic (EPS) (DKK)	**6.64**	5.17	**1.62**	2.08	7.96
Earnings per share, diluted (DEPS) (DKK)	**6.64**	5.17	**1.62**	2.08	7.96
Other					
Number of employees (FTE) – end of period	**5,588**	5,761	**5,588**	5,761	5,628

MANAGEMENT REVIEW

Financial guidance and forward-looking statements

Financial guidance

DKK	FY 2020 actual	2021 guidance
Revenue	17,672 million	DKK 16.3 – 16.6 billion
EBITDA	4,783 million	DKK 3.7 – 4.0 billion
Core EBIT	4,436 million	DKK 3.3 – 3.6 billion
Profit from operations (EBIT)	1,990 million	DKK 2.0 – 2.3 billion

Lundbeck's financial guidance for 2021 is maintained. The results are expected to be driven by the continued growth of Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and the strong growth of Vyepti. However, Northera was exposed to generic competition from February 2021, and we have seen a very aggressive erosion curve. Therefore, it is expected to lead to a decline of around 75% of Northera revenue compared to 2020. Additionally, we see a lower level for our contract manufacturing activities.

Lundbeck's main currencies are the USD, CNY and CAD. The financial guidance for 2021 is based on the current hedging rates for our main currencies; i.e. USD/DKK (6.38), CNY/DKK (0.95) and CAD/DKK (4.82) and includes an expected hedging gain of approximately DKK 50 million.

Based on our assumptions for product and geographical mix, it is estimated that a 5% change of the USD/DKK exchange rate will impact revenue by around DKK 100 million.

Lundbeck has a consistent focus on continuously optimizing its business. Lundbeck has decided to close down its Indian affiliate due to continued low profitability and has further intensified its efforts to optimize the commercial footprint especially in North America following the pandemic. Lundbeck expects to recognize provisions of some DKK 100-200 million for restructuring costs to be recognized mainly in the sales and distribution costs. The expected restructuring costs are kept within the financial guidance range for EBITDA and reported EBIT which are therefore unchanged.

Forward-looking statements

Forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations. Various factors may affect future results, including interest rates and exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, governance-mandated or market-driven price decreases for products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and unexpected growth in expenses.

COVID-19 impact on Lundbeck's operations

Generally, our product portfolio has been resilient especially outside the U.S. In the U.S. primary care physicians (PCPs) have been seeing fewer patients than before the pandemic and therefore products such as Brintellix/Trintellix, which have more prescriptions coming from PCPs than our other portfolio products, have been impacted by a lower number of new patient starts. While telehealth has seen a significant uptick during the pandemic, it has now stabilized and physicians are also less likely to prescribe new treatments during a telehealth visit versus face-to-face. This has impacted our key brands which rely on treatment switches. The launch of Vyepti in April 2020 has been significantly impacted by this, but momentum on Vyepti is now strong. We are in general

seeing a gradual improvement in the activity level, resulting in an increase in new patient starts on products such as Trintellix and Rexulti.

The COVID-19 pandemic also continues to impact clinical activities causing disruptions especially for new study starts and for our early-stage studies.

Revenue

Revenue reached DKK 12,246 million in the first nine months of 2021 compared to DKK 13,397 million for the same period last year. The decline in sales is primarily a consequence of generic erosion of Northera and depreciation of main currencies. Excluding Northera, sales grew by 1.5% reported. The strategic brands (Abilify Maintena, Brintellix/ Trintellix, Rexulti/Rxulti and Vyepti) grew 17% in local currencies and reached DKK 6,815 million or 56% of total revenue. Lundbeck's biggest markets are the U.S., China, Canada, Spain, Italy and Japan.

Hedging

Lundbeck hedges a significant part of the currency risk for a period of 12-18 months. Hedging had a positive impact of DKK 78 million for the first nine months of 2021, compared to a negative impact of DKK 50 million for the first nine months of 2020.

Revenue - products and regions

DKK million	9M 2021	9M 2020	*Growth*	*Growth in local currencies*	Q3 2021	Q3 2020	*Growth*	*Growth in local currencies*	Q2 2021
Abilify Maintena	**1,810**	1,729	*5%*	*7%*	**613**	553	*11%*	*11%*	613
Brintellix/Trintellix	**2,565**	2,308	*11%*	*16%*	**909**	733	*24%*	*24%*	852
Cipralex/Lexapro	**1,835**	1,893	*(3%)*	*2%*	**600**	566	*6%*	*7%*	569
Northera	**536**	1,865	*(71%)*	*(69%)*	**97**	663	*(85%)*	*(85%)*	91
Onfi	**382**	486	*(21%)*	*(15%)*	**97**	189	*(49%)*	*(47%)*	139
Rexulti	**2,112**	2,004	*5%*	*13%*	**734**	611	*20%*	*22%*	706
Sabril	**487**	584	*(17%)*	*(10%)*	**151**	191	*(21%)*	*(19%)*	169
Vyepti	**328**	42	*681%*	*731%*	**151**	28	*439%*	*450%*	101
Other pharmaceuticals	**1,902**	2,181	*(13%)*	*(11%)*	**627**	724	*(13%)*	*(15%)*	614
Other revenue	**211**	355	*(41%)*	*(42%)*	**58**	137	*(58%)*	*(57%)*	72
Effects from hedging	**78**	(50)			**(24)**	68			34
Total revenue	**12,246**	**13,397**	***(9%)***	***(5%)***	**4,013**	**4,463**	***(10%)***	***(9%)***	**3,960**
North America	**6,068**	7,328	*(17%)*	*(12%)*	**2,016**	2,421	*(17%)*	*(16%)*	1,934
International Markets	**3,281**	3,254	*1%*	*5%*	**1,084**	1,025	*6%*	*5%*	1,035
Europe	**2,608**	2,510	*4%*	*4%*	**879**	812	*8%*	*7%*	885

Products

Abilify Maintena (aripiprazole once-monthly injection) is approved for the treatment of schizophrenia in the EU and for both schizophrenia and bipolar I disorder in the U.S., Canada and Australia. Sales reached DKK 1,810 million representing a growth of 7% in local currencies. The regional distribution of sales was 42%, 9% and 49% in North

America, International Markets and Europe, respectively. The largest markets are the U.S., Spain, Canada, Australia and Italy.

Brintellix/Trintellix (vortioxetine) is Lundbeck's largest product and is approved for the treatment of major depressive disorder (MDD). Sales grew 16% in local currencies and reached DKK 2,565 million. The regional distribution of sales was 50%, 22% and 28% in North America, International Markets and Europe, respectively. The largest markets for the product are the U.S., Canada, Spain, Italy and China. Brintellix/Trintellix has been impacted by the reduced promotional activity in many countries as a consequence of the COVID-19 pandemic and thereby impacting new patient enrollment negatively, particularly among PCPs.

Cipralex®/Lexapro® (escitalopram) is approved for the treatment of MDD. Sales reached DKK 1,835 million. The regional distribution of sales was 4%, 74% and 22% in North America, International Markets and Europe, respectively. The largest markets are Japan, China, South Korea, Italy and Brazil.

Rexulti/Rxulti (brexpiprazole) is Lundbeck's second largest product and is approved as an adjunctive therapy for the treatment of adults with MDD and as a treatment for adults with schizophrenia in markets such as the U.S., Canada and Saudi Arabia. In Australia and Europe, the product is approved for schizophrenia. Lundbeck's share of revenue reached DKK 2,112 million for the period representing a growth in local currencies of 13%. The regional distribution of sales was 96%, 3% and 1% in North America, International Markets and Europe, respectively.

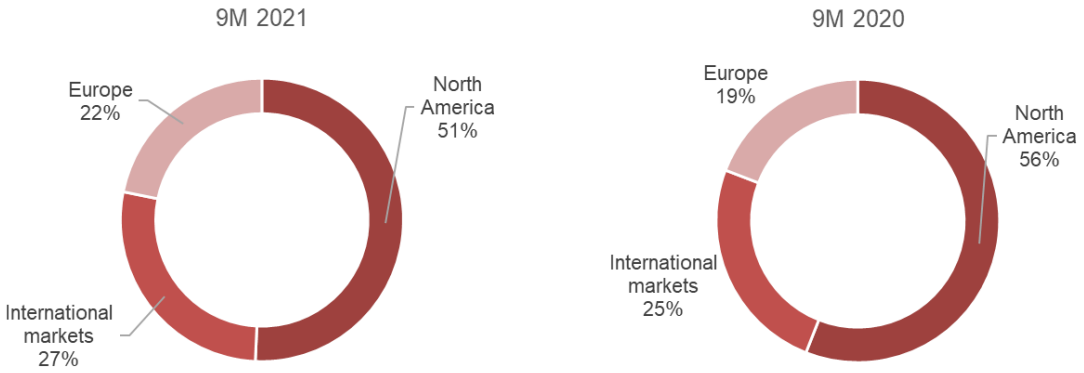
Vyepti (eptinezumab) is approved in the U.S., Australia, Canada, Kuwait, Singapore, Switzerland and U.A.E. for the preventive treatment of migraine in adults. The product was launched in April 2020 in the U.S. and reached sales of DKK 328 million and is on track to deliver on full year expectations. In September 2021, Vyepti was launched in U.A.E. as the second market.

Northera (droxidopa) is approved for the treatment of symptomatic neurogenic orthostatic hypotension (nOH). Sales from Northera reached DKK 536 million. Northera lost exclusivity in February 2021.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, reached DKK 1,902 million compared to DKK 2,181 million in the first nine months of 2020 following lower sales of mature products such as Azilect®, Ebixa®, Xenazine® and Selincro®. The largest markets are China, France, the U.S., South Korea and Mexico.

Other revenue, which mainly consists of contract manufacturing, reached DKK 211 million compared to DKK 355 million in the first nine months of 2020. The decline in revenue is due to lower volumes for one of the third-party contracts.

Figure 1 – Revenue per region 9M 2021 vs 9M 2020 (excluding Other revenue and Effects from hedging)



Key developments in the third quarter of 2021

In the third quarter of 2021, revenue reached DKK 4,013 million compared to DKK 4,463 million in 2020 following generic erosion of Northera. Excluding Northera, sales increased by 3%. The strategic brands grew by 26% in local currencies (25% reported) for the period, thereby reaching DKK 2,407 million or 60% of total revenue.

North America

Revenue reached DKK 6,068 million in the first nine months of 2021 compared to DKK 7,328 million in the first nine months of 2020. Sales were significantly impacted by generic erosion of mature neurology products and especially Northera as well as depreciation of currencies. Excluding Northera, sales declined by 1.3% reported. The COVID-19 pandemic still impacts business in the region and especially Trintellix since that product relies heavily on switches and new-to-brand prescriptions which continues to be less likely in telehealth visits, but the situation is gradually improving. The strategic brands increased by 17% in local currencies and reached DKK 4,381 million or 72% of sales.

Revenue – North America

DKK million	9M 2021	9M 2020	*Growth*	*Growth in local currencies*	Q3 2021	Q3 2020	*Growth*	*Growth in local currencies*	Q2 2021
Abilify Maintena	**757**	758	*0%*	*5%*	**260**	235	*11%*	*11%*	254
Trintellix	**1,280**	1,242	*3%*	*9%*	**470**	408	*15%*	*15%*	416
Northera	**536**	1,865	*(71%)*	*(69%)*	**97**	663	*(85%)*	*(85%)*	91
Onfi	**382**	486	*(21%)*	*(15%)*	**97**	189	*(49%)*	*(47%)*	139
Rexulti	**2,017**	1,944	*4%*	*11%*	**700**	591	*18%*	*20%*	671
Sabril	**487**	584	*(17%)*	*(10%)*	**151**	191	*(21%)*	*(19%)*	169
Vyepti	**327**	42	*679%*	*729%*	**150**	28	*436%*	*446%*	101
Other pharmaceuticals	**282**	407	*(31%)*	*(28%)*	**91**	116	*(22%)*	*(22%)*	93
Total revenue	**6,068**	**7,328**	***(17%)***	***(12%)***	**2,016**	**2,421**	***(17%)***	***(16%)***	**1,934**

Products

Abilify Maintena revenue reached DKK 757 million, representing Lundbeck's share of total net sales. Sales of Abilify Maintena saw limited impact from the pandemic during 2020 and therefor see limited growth recovery compared to other products. In the U.S., Abilify Maintena has a stable volume market share of around 21.3% and in Canada it maintains 32.2% by August 2021 (source: IQVIA).

Trintellix sales reached DKK 1,280 million in revenue for Lundbeck representing a growth in local currencies of 9%. The volume market share in the U.S. has increased slightly to 0.91% by August 2021. In Canada, the volume share

has increased from 1.4% of the total anti-depressant market in January to 2.7% in August 2021. The value market share of the total anti-depressant market in the U.S. has increased from 28.3% in January to 30.9% in August. In Canada, the value market share of the total anti-depressant market has increased from 7.7% in January 2021 to 9.7% in August 2021 (source: IQVIA).

Lundbeck's share of **Rexulti** revenue reached DKK 2,017 million with a growth of 11% in local currencies. In the U.S., Rexulti has a volume market share of 2.2% by August 2021 which is unchanged from January (source: IQVIA). However, the value share has increased from 14.6% to 15.4%. In Canada, the product has reached volume share of 3.1% representing an increase from 2.6% last quarter. Patient data suggest that more than 3/4 of prescriptions in the U.S. are prescribed for MDD.

Vyepti was approved by the U.S. Food and Drug Administration (FDA) on February 21, 2020 and in Canada on January 12, 2021 for the preventive treatment of migraine in adults. The product was made available in the U.S. on April 6, 2020 and reached sales of DKK 327 million in the first nine months of 2021 in line with expectations. The growth of Vyepti is outpacing all sub-cutaneous aCGRP's in launch aligned growth. Vypeti is also seeing increased volume growth through specialty pharmacy and specialty distribution channels quarter over quarter. In addition to this, administration of Vypeti in Alternate Sites of Care (ASOCS) continues to grow month-over-month and now accounts for more than 25% of total volume administered. The current positive momentum for the brand is driven by several factors. The refocus on efficacy messaging across the sales force and non-personal promotion has led to increased positive efficacy perceptions and increased prescribing. This has led to increased penetration of high value HCP's, an increase in new and repeating prescribers month-over-month, and an increase in repeating prescribers as a percent of the total.

Northera sales reached DKK 536 million for the period following the launch of several generic versions in February 2021. **Sabril** revenue reached DKK 487 million. **Onfi** revenue reached DKK 382 million.

Key developments in the third quarter of 2021

In the third quarter of 2021, revenue reached DKK 2,016 million compared to DKK 2,421 million last year. Excluding Northera, sales increased by 9% reported (up 10% in local currencies). The strategic brands grew by 25% (27% in local currencies) for the period thereby reaching DKK 1,580 million or 78% of total revenue. Sales of Sabril and Onfi are impacted by gross-to-net adjustments and return provisions of around USD 10 million in the third quarter of 2021.

International Markets

Revenue from International Markets, which comprise all Lundbeck's markets outside of Europe and North America, reached DKK 3,281 million in the first nine months of 2021. The growth of 5% in local currencies was driven by Rexulti and Brintellix. The biggest markets are China, Japan, South Korea, Australia and Brazil. China and Japan constitute approximately 40% of the regional revenue. The strategic brands increased by 30% in local currencies and reached DKK 812 million or 25% of sales.

Revenue – International Markets

DKK million	9M 2021	9M 2020	Growth	Growth in local currencies	Q3 2021	Q3 2020	Growth	Growth in local currencies	Q2 2021
Abilify Maintena	**168**	156	*8%*	*4%*	**54**	48	*13%*	*10%*	60
Brintellix	**566**	443	*28%*	*35%*	**200**	133	*50%*	*49%*	191
Cipralex/Lexapro	**1,354**	1,402	*(3%)*	*3%*	**431**	402	*7%*	*9%*	407
Rexulti	**77**	48	*60%*	*65%*	**27**	16	*69%*	*63%*	29
Vyepti	**1**	-			**1**	-			-
Other pharmaceuticals	**1,115**	1,205	*(7%)*	*(5%)*	**371**	426	*(13%)*	*(16%)*	348
Total revenue	**3,281**	**3,254**	***1%***	***5%***	**1,084**	**1,025**	***6%***	***5%***	**1,035**

Products

Abilify Maintena reached DKK 168 million in revenue representing a growth of 8% (4% in local currencies) as a consequence of quarterly fluctuations. Sales mainly derived from Australia where Abilify Maintena shows robust sales performance and has a stable volume share of 29.8% by August 2021 compared to 28.5% by January 2021 (source: IQVIA). Countries such as Kuwait and United Arab Emirates (U.A.E.) also contributed positively.

Brintellix/Trintellix reached DKK 566 million in revenue or an increase of 35% in local currencies. Brintellix realized solid growth across several markets including China and Japan, but the growth is also impacted by quarterly fluctuations. China, Brazil, Japan, South Korea and Mexico are the largest markets for Brintellix in the region. In Japan, Trintellix is showing a strong momentum and has reached a volume market share of 4.51% by July 2021, 20 months into the launch. Measured by volume market share, it is the highest market share achieved by the product in the main markets at this point of the launch. In China, Brintellix has a value share of 1.74% which is a slight increase from 1.4% last quarter (source: IQVIA). Brintellix is not included in the National Reimbursement Drug List (NRDL) in China and is not reimbursed.

Rexulti reached DKK 77 million in sales and grew by 65% in local currencies. In International Markets, the product has its highest sales in Australia followed by Brazil. In Australia, Rexulti has achieved a market share of 2.2% in volume in August 2021 representing a slight increase from 2.1% last quarter (source: IQVIA). Rexulti was recently launched in Brazil and has now reached a volume share of 1.5% compared to 0.9% in January 2021 and the majority of revenue growth during the period has come from Brazil.

Vyepti was introduced in U.A.E. in September 2021 and has been approved in Kuwait in May 2021 and in Singapore in September 2021. In June 2021, The Australian Therapeutic Goods Administration (TGA) approved Vyepti for the preventive treatment of migraine in adults with a very strong label that includes; primary and secondary results from *PROMISE-1* and *PROMISE-2*, Day-1 data, the medication overuse headache (MOH) sub-analysis and data from *PREVAIL*. It's the first TGA approved intravenous (IV) treatment for migraine prevention.

Cipralex/Lexapro generated revenue of DKK 1,354 million representing a growth of 3% in local currencies. Japan, China, South Korea, Brazil and Saudi Arabia are the largest markets for Cipralex/Lexapro in the region.

Other pharmaceuticals generated revenue of DKK 1,115 million. **Azilect** is promoted by Lundbeck in some countries in Asia. Azilect generated revenue of DKK 112 million following a growth of 29%. **Ebixa** generated revenue of DKK 299 million, which is 30% lower compared to the first nine months of 2020 following the inclusion of Ebixa into VBP (Volume-Based Procurement) in China in the fourth quarter of 2020.

Key developments in the third quarter of 2021

In the third quarter of 2021, revenue increased 6% (5% in local currencies) and reached DKK 1,084 million compared to DKK 1,025 million in the third quarter of 2020. The strategic brands grew by 43% (41% in local currencies) for the period, thereby reaching DKK 282 million or 26% of total revenue.

Europe

Revenue reached DKK 2,608 million in the first nine months of 2021 compared to DKK 2,510 million in the same period last year. In general, Europe sees continued robust underlying demand offsetting a continuous negative average price development and continued generic erosion on the mature product portfolio. The strategic brands increased by 12% in local currencies and reached DKK 1,622 million or 62% of sales. The largest markets in Europe are Spain, Italy, France, Switzerland and the United Kingdom.

Revenue – Europe

DKK million	9M 2021	9M 2020	*Growth*	*Growth in local currencies*	Q3 2021	Q3 2020	*Growth*	*Growth in local currencies*	Q2 2021
Abilify Maintena	**885**	815	*9%*	*9%*	**299**	270	*11%*	*11%*	299
Brintellix	**719**	623	*15%*	*16%*	**239**	192	*24%*	*24%*	245
Cipralex	**397**	390	*2%*	*2%*	**138**	132	*5%*	*5%*	138
Rexulti/Rxulti	**18**	12	*50%*	*50%*	**7**	4	*75%*	*75%*	6
Other pharmaceuticals	**589**	670	*(12%)*	*(12%)*	**196**	214	*(8%)*	*(9%)*	197
Total revenue	**2,608**	**2,510**	***4%***	***4%***	**879**	**812**	***8%***	***8%***	**885**

Products

Abilify Maintena is Lundbeck's largest product in the region. Sales uptake of Abilify Maintena is robust with revenue reaching DKK 885 million. In Europe, the penetration of long-acting atypical antipsychotics is generally higher than seen in the U.S. (volume). Driven by increasing demand from patients, sales of Abilify Maintena are growing across Europe and the product has achieved a 25% or more market share (volume) in most markets. In some markets, the volume market share is approaching or has exceeded 30% (source: IQVIA). Abilify Maintena is the second most prescribed long-acting injectable treatment for patients with schizophrenia in many markets. Spain, Italy and France are the largest European markets for Abilify Maintena.

Brintellix revenue grew 16% in local currencies reaching DKK 719 million. Brintellix is Lundbeck's second largest product in Europe and realized solid growth across many markets. In main countries, Spain, Italy and France, the product has achieved value market shares of 11.3%, 10.3% and 11.4%, respectively by August 2021 (source: IQVIA). The volume shares have been stable at or slightly increased to 4.0%, 4.0% and 4.0%, respectively (source: IQVIA). The solid growth in European markets has in some markets been weighted down by the COVID-19 dynamics, however, a strengthened uptake is observed in impacted markets as restrictions are removed.

Rexulti/Rxulti revenue reached DKK 18 million following a growth of 50%. The product was recently launched in Italy where it has a volume share of 0.5% by August 2021 (source: IQVIA) which represents a slight increase from 0.4% last quarter. Rexulti/Rxulti is co-promoted with Otsuka Pharmaceuticals in most markets.

Vyepti was approved in Switzerland in October 2021 as prophylactic treatment of migraine in adults. The approval is based on data from *PROMISE-1* with 50% responder rates (week 1-12) and on acute medication as well as data from *PROMISE-2* with 75% responder rates (week 1-12), 50% responder rates (week 1-12), HIT-6, acute medication, Day-1 is included in the figure for Mean changes from baseline of Monthly Migraine Days for *PROMISE-2* and medication overuse headache data included. Additionally, EMA Committee for Medicinal Products for Human Use (CHMP) is expected to provide a recommendation at the November meeting.

Cipralex generated revenue of DKK 397 million and the product sees good growth in countries such as Italy but is also impacted by quarterly fluctuations.

Revenue from **Other pharmaceuticals** was DKK 589 million, a decline of 12% compared to the first nine months of 2020 following continued generic erosion of mature products.

Key developments in the third quarter of 2021

In the third quarter of 2021, revenue increased 8% (8% in local currencies) and reached DKK 879 million compared to DKK 812 million in 2020. The strategic brands grew by 17% (17% in local currencies) for the period thereby reaching DKK 545 million or 62% of total revenue.

Expenses and profits

In the first nine months of 2021, total costs declined by 13% to DKK 10,242 million compared to DKK 11,787 million in the same period last year. Adjusted for non-core costs, total costs declined by 5% to DKK 9,273 million mainly as a result of pandemic related cost avoidance.

Distribution of costs

DKK million	9M 2021	9M 2020	*Growth*	Q3 2021	Q3 2020	*Growth*	Q2 2021
Cost of sales	**2,648**	3,145	*(16%)*	**851**	1,271	*(33%)*	851
COS-ratio	***21.6%***	*23.5%*		***21.2%***	*28.5%*		*21.5%*
Sales and distribution costs	**4,103**	4,288	*(4%)*	**1,391**	1,366	*2%*	1,394
S&D-ratio	***33.5%***	*32.0%*		***34.7%***	*30.6%*		*35.2%*
Administrative expenses	**663**	692	*(4%)*	**238**	245	*(3%)*	215
G&A-ratio	***5.4%***	*5.2%*		***5,9%***	*5.5%*		*5.4%*
Research & development costs	**2,828**	3,662	*(23%)*	**1,007**	951	*6%*	904
R&D-ratio	***23.1%***	*27.3%*		***25.1%***	*21.3%*		*22.8%*
Total costs	**10,242**	**11,787**	***(13%)***	**3,487**	**3,833**	***(9%)***	**3,364**

Cost of sales declined by 16% to DKK 2,648 million in the first nine months of 2021 and the **gross margin** was 78.4% compared to 76.5% in the same period last year. Cost of sales was impacted by the removal of Northera amortizations but also reduced royalty costs. Amortization of product rights was DKK 969 million for the period compared to DKK 1,132 million last year due to Northera being fully amortized in the first quarter of 2021.

Sales and distribution costs were DKK 4,103 million, a decline of 4% compared to first nine months of 2020 mainly because of COVID-19 related cost avoidance. Sales and distribution costs corresponded to 33.5% of revenue, compared to 32.0% the year before.

Administrative expenses declined 4% to DKK 663 million, corresponding to 5.4% of total revenue.

SG&A costs for the period were DKK 4,766 million compared to DKK 4,980 million in the first nine months of 2020. The SG&A ratio for the period was 38.9%, compared to 37.2% last year.

Research & development costs was DKK 2,828 million for the period with a R&D ratio of 23.1%. Compared to the first nine months of 2020, the R&D costs declined 23%, while adjusted for the impairment of foliglurax of DKK 792 million in 2020, the R&D costs declined by 1.5%.

Total **operational costs** (OPEX) reached DKK 7,594 million compared to DKK 8,642 million for the same period last year. Adjusted for the impairment of foliglurax product rights in 2020, OPEX declined by 3%.

Other operating expenses, net amounted to DKK 0 million for the first nine months of 2021 compared to an expense, net of DKK 51 million for the same period last year.

Key developments in the third quarter of 2021

In the third quarter of 2021, total costs amounted to DKK 3,487 million, representing a decline of 9%.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses, which are included in the individual expense categories, amounted to DKK 1,276 million in the first nine months of 2021 compared to DKK 2,222 million in 2020, which included the impairment of foliglurax product rights of DKK 792 million recognized in the first quarter of 2020. Amortization of product rights was DKK 969 million for the period compared to DKK 1,132 million last year.

Depreciation, amortization and impairment charges

DKK million	9M 2021	9M 2020	*Growth*	Q3 2021	Q3 2020	*Growth*	Q2 2021
Cost of sales	**1,111**	1,276	*(13%)*	348	469	*(26%)*	345
Sales and distribution cost	**71**	74	*(4%)*	24	24	-	24
Administrative expenses	**22**	20	*10%*	11	7	*57%*	6
Research & development costs	**72**	852	*(92%)*	24	20	*20%*	24
Total depreciation, amortization and impairment charges	**1,276**	**2,222**	***(43%)***	**407**	**520**	***(22%)***	**399**

Profit from operations (EBIT and core EBIT)

For the first nine months of 2021, **Core EBIT** declined by 18% to DKK 2,973 million and the **Core EBIT margin** was 24.3%. Reported **EBIT** reached DKK 2,004 million compared to DKK 1,559 million in the first nine months of 2020 which was impacted by the impairment of the foliglurax product rights. The **EBIT margin** increased from 11.6% to 16.4%.

In the third quarter of 2021, **EBIT** reached DKK 526 million and **Core EBIT** reached DKK 826 million. The **Core EBIT margin** declined from 26.0% to 20.6%.

For definitions of the measures “Core Revenue”, “Core EBIT”, “Core EBIT margin” and “Core EPS”, see note 5 *Core reporting*.

Net financials, expenses

Lundbeck generated a net financial expense of DKK 311 million for the first nine months of 2021, compared to a net financial expense of DKK 72 million for the first nine months of 2020.

Financial expenses mainly consist of interest costs on the debt portfolio (including interest rate swaps), fair value adjustments on contingent considerations, losses on other financial assets and banking costs.

Tax

The effective tax rate for the first nine months of 2021 was 22.0%. The tax rate is negatively impacted by the amortization of Northera product rights, which is not deductible for tax purposes, but this is fully offset by the increase in Danish research & development incentives.

Profit and EPS

Profit for the first nine months of 2021 reached DKK 1,320 million compared to DKK 1,028 million in the first nine months of 2020. The reported net profit corresponded to an **EPS** of DKK 6.64 versus an EPS of DKK 5.17 last year. **Core EPS** was DKK 10.48 for the first nine months of 2021, compared to a Core EPS of DKK 14.60 for the first nine months of 2020.

In the third quarter of 2021, **profit for the period** reached DKK 321 million. **Core EPS** reached DKK 2.78.

Cash flows

Cash flows from operating activities amounted to DKK 1,889 million in the first nine months of 2021 compared to DKK 2,777 million in 2020. The development compared to last year primarily relates to reduced EBITDA due to Northera loss of exclusivity, Lonza liability settlement and a higher cash tax payment related to intercompany transfer of product rights in 2020 and U.S. timing of instalments.

Lundbeck's **net cash flows from investing activities** were an outflow of DKK 332 million for the first nine months of 2021 compared to an outflow of DKK 256 million in the same period last year.

In the first nine months of 2021, the **net cash outflow** reached DKK 1,438 million compared to an inflow of DKK 742 million in the first nine months of 2020. The **net cash flow** is impacted by repayment of bank loans net of DKK 2,402 million.

Net debt has decreased from DKK 4,106 million at year-end 2020 to DKK 3,214 million at the end of the first nine months of 2021. **Interest bearing debt** was DKK 5,718 million at the end of the first nine months of 2021.

Financial position

At 30 September 2021, Lundbeck's **total assets** amounted to DKK 35,119 million compared to DKK 36,029 million at the end of 2020.

At 30 September 2021, Lundbeck's **equity** amounted to DKK 18,083 million, corresponding to an **equity ratio** of 51.5% compared to 47.1% at the end of 2020.

Lundbeck's development portfolio

Lundbeck is developing several new and promising medicines for the treatment of brain diseases. Pipeline developments are summarized below.

Project	Area	Phase I	Phase II	Phase III	Filing
Hormonal / neuropeptide signaling:					
Eptinezumab (anti-CGRP)[1)]	Migraine prevention				
	Episodic cluster headache				
Lu AG09222 (anti-PACAP mAb)[2)]	Migraine prevention				
Circuitry / neuronal biology:					
Brexpiprazole[3)]	Agitation in Alzheimer's disease				
	PTSD				
Aripiprazole 2-months injectable	Schizophrenia/bipolar I disorder			Pivotal phase I study finalized	
Lu AG06466[4)]	PTSD				
	Fibromyalgia				
	MS spasticity[5)]				
	Focal epilepsy				
Lu AG06479[4)]	Neurology/psychiatry				
Lu AF28996 (D_1/D_2 agonist)	Parkinson's disease				
Protein aggregation, folding and clearance:					
Lu AF82422 (alpha-synuclein mAb)	Multiple system atrophy				
Lu AF87908 (Tau mAb)	Tauopathies				

1) CGRP: Calcitonin gene-related peptide
2) PACAP: Pituitary adenylate cyclase activating peptide
3) Acts as a partial agonist at 5-HT_{1A} and dopamine D_2 receptors at similar potency, and an antagonist at 5-HT_{2A} and noradrenaline $alpha_{1B/2C}$ receptors.
4) Monoacylglycerol lipase inhibitor ("MAGlipase").
5) Spasticity in participants with Multiple Sclerosis

Hormonal / neuropeptide signaling:

Eptinezumab – development and regulatory status

Eptinezumab is a monoclonal antibody (mAb) that binds to calcitonin gene-related peptide (CGRP), a neuropeptide believed to play a key role in mediating and initiating migraines, with high specificity and potency. Eptinezumab is administered as a 30-minute intravenous (IV) infusion every three months, providing immediate and complete bioavailability.

In February 2020, Vyepti (eptinezumab-jjmr) was approved by the U.S. Food and Drug Administration (FDA) as the first FDA-approved IV treatment for the treatment of migraine in adults. The recommended dose is 100 mg every three months; some patients may benefit from a dose of 300 mg. Eptinezumab has subsequently been approved in U.A.E. December 2020, in Canada January 2021, in Kuwait May 2021, in Australia June 2021, Singapore September 2021 and in Switzerland October 2021.

In December 2020, the filing of eptinezumab was accepted by the European Medicines Agency (EMA) for marketing authorization application (MAA) review. The review by the EMA's Committee for Medicinal Products for Human Use (CHMP) is progressing according to plan with an opinion expected to be given at the November meeting. In addition to EU, eptinezumab has also been submitted for regulatory review in 13 markets: Argentina, Brazil, Chile, Columbia, Indonesia, Israel, Hong Kong, Philippines, Saudi Arabia, South Africa, Taiwan, Thailand, and the UK.

In October 2021, Lundbeck finalized the placebo-controlled treatment period of the *DELIVER* phase IIIb study (NCT04418765). The purpose of this study was to evaluate eptinezumab in the prevention of migraine in patients with unsuccessful prior preventive treatments. The patient enrolled in the study were required to have documented evidence of treatment failure (must be supported by medical record or by physician's confirmation specific to each treatment) in the past 10 years of 2-4 different migraine preventive medications and have a history of either previous or active use of triptans for migraine. Patients were randomly allocated to placebo or two treatment groups: eptinezumab 100 mg or 300 mg given by IV infusion (n=892). The total study duration from the screening visit to the completion visit was 76 weeks and included a screening period (28-30 days), a placebo-controlled treatment period (24 weeks) and a still ongoing treatment extension period (48 weeks). The study met its primary objective of demonstrating superiority of Vyepti versus placebo in reducing the number of monthly migraine headache days

(MMDs) over 12 weeks of treatment. In the study, treatment with Vyepti 100mg and 300mg reduced monthly migraine days by 4.8 and 5.3 days (P<0.0001), respectively, compared with a reduction of 2.1 days with placebo.

In addition, the *DELIVER* study achieved statistical significance on all key secondary outcome measures. Specifically, more patients achieved the clinically relevant 50% or greater reduction in migraine days over weeks 1-12 after receiving Vyepti 100mg (42.1%) and 300mg (49.5%) than patients receiving placebo (13.1%). The safety profile of Vyepti observed in the *DELIVER* study was consistent with the safety profile observed in the pivotal phase III studies with Vyepti for the preventive treatment of migraine.

During the first half of 2021, Lundbeck has also started two phase III clinical trials, supporting registration in Asia, including China and Japan. The *SUNLIGHT* trial (NCT04772742) evaluates the efficacy of eptinezumab to prevent migraine and headache in patients with the combined diagnosis of chronic migraine and medication overuse headache. Patients are randomly allocated to placebo or eptinezumab 100 mg given by IV infusion (n = 182). The total study duration is approximately 36 weeks and includes a Screening Period (28-30 days), a Placebo-controlled Period (12 weeks), an Open-Label Period (12 weeks) and a Safety Follow-up Period (8 weeks). The *SUNRISE* trial (NCT04921384) evaluates the efficacy of eptinezumab to prevent migraine and headache in patients with chronic migraine. Patients will be randomly allocated to placebo or two treatment groups; eptinezumab 100 mg or 300 mg given by IV infusion (n=513). The total study duration is either approximately 36 weeks, including screening period and safety follow-up; or 24 weeks for patients in Japan that enter a separate open label extension trial.

In December 2020, Lundbeck initiated a phase III clinical study investigating the efficacy of eptinezumab in patients with episodic cluster headache (*ALLEVIATE*). The study (NCT04688775) is planned to recruit around 300 patients that will be randomly assigned to receive treatment consisting of two infusions of either eptinezumab or placebo in a cross-over manner. The total duration of the study is 24 weeks, including a safety follow up period of 8 weeks.

Lu AG09222 – phase I

Lu AG09222 (formerly ALD 1910) is a monoclonal antibody (mAb) designed to bind pituitary adenylate cyclase-activating polypeptide (PACAP), thereby effectively preventing PACAP from activating its receptors. PACAP has emerged as an important signaling molecule in the pathophysiology of migraine and represents an attractive novel target for treating migraine. A phase I double-blind, placebo-controlled study of Lu AG09222 in healthy volunteers, to assess the safety, tolerability and pharmacokinetic profile at various doses, has been completed (NCT04197349). A second, target engagement validation, phase I study is ongoing, with completion before end of 2021 (NCT04976309).

Circuitry / neuronal biology:

Brexpiprazole – phase III in Alzheimer's agitation

In April 2021, Lundbeck and Otsuka Pharmaceutical announced the decision to continue the recruitment of patients in a third phase III clinical trial of brexpiprazole in the treatment of agitation in patients with dementia of the Alzheimer's type (NCT03548584). The decision to continue the trial is based on the results of an independent interim analysis, supporting to progress the trial to the planned full enrollment of 330 patients.

The study is designed to assess the safety, tolerability and efficacy of brexpiprazole in the treatment of patients with agitation in Alzheimer's dementia. The trial consists of a continuous 12-week double-blind treatment period with a 30-day follow-up. The trial population is planned to include 330 male and female patients, aged 55–90 years, with a diagnosis of probable Alzheimer's disease.

The continuation of the study enables Lundbeck and Otsuka to further explore the efficacy of brexpiprazole to address the high medical need in patients suffering from agitation in Alzheimer's type dementia. Completion of the trial is expected in the first half of 2022.

The primary outcome in the study is change in the Cohen-Mansfield Agitation Inventory (CMAI) Total score. The key secondary outcome measure is change in the Clinical Global Impression – Severity of Illness (CGI-S) score, as related to symptoms of agitation.

Brexpiprazole – phase III in Post-Traumatic Stress Disorder (PTSD)

PTSD is a psychiatric disorder that can develop as a response to traumatic events, such as interpersonal violence, combat, life-threatening accidents or natural disasters. Core features of PTSD include a variety of symptoms, such as re-experiencing phenomena (i.e. flashbacks and nightmares), avoidance behavior, numbing (i.e. amnesia, anhedonia, withdrawal, negativism) and increased arousal (i.e. insomnia, irritability, poor concentration, hypervigilance). Psychiatric co-morbidities are common, and PTSD sufferers can also present with substance abuse, mood and other anxiety disorders, impulsive and dangerous behavior and self-harm.

Lundbeck and Otsuka Pharmaceutical reported positive phase II data for the combination treatment of brexpiprazole and sertraline for the treatment of PTSD in November 2018. On basis of these data, Lundbeck and Otsuka Pharmaceutical initiated two pivotal phase III trials (NCT04124614; n=577 and NCT04174170; n=733), investigating the use of brexpiprazole in combination with sertraline in the treatment of PTSD subsequent to an *End of Phase II* meeting with the U.S. FDA in May 2019. The execution of those two ongoing studies is challenged by the COVID-19 pandemic, primarily impacting enrollment activities. Therefore, Lundbeck and Otsuka Pharmaceutical is seeking phase III program advice from the U.S. FDA.

Brexpiprazole – phase II for borderline personality disorder

Lundbeck and Otsuka Pharmaceutical initiated a proof-of-concept study investigating the use of brexpiprazole in the treatment of borderline personality disorder (BPD), subsequent to a Type B meeting with the U.S. FDA in May 2019 (NCT04100096). The study has finalized. The brexpiprazole treatment arm did not show statistically significant separation from placebo at the predefined timepoint for the primary endpoint, change from baseline in the Zanarini Rating Scale for Borderline Personality Disorder, although improvements greater than placebo were observed at other timepoints in the study. The observed safety and tolerability profile for the patients suffering from borderline personality disorder was consistent with the safety and tolerability profile observed for patients treated with brexpiprazole in other indications. Lundbeck and Otsuka Pharmaceutical has decided not to progress further with investigating brexpiprazole as monotherapy in adult subjects with BPD.

Aripiprazole – 2-Month Injectable (LAI) formulation

Dosing every second month can add important benefits in terms of convenience for the patients and may increase treatment adherence as well as minimizing risk of missing doses and it may reduce the potential need for medication monitoring by healthcare professionals, family and caregivers.

In July 2019, Lundbeck and Otsuka Pharmaceutical initiated a pivotal phase Ib study (NCT04030143) to determine the safety, tolerability and pharmacokinetics of multiple-dose administrations of aripiprazole to adult participants with schizophrenia or bipolar I disorder. The study was an open-label, multiple-dose, randomized, parallel-arm, multicenter study. In addition to assessment of safety and tolerability, the objective was to establish the similarity of aripiprazole concentrations on the last day of the dosing interval and the exposure in the last dosing interval following the final administration of aripiprazole into the gluteal muscle site. The study showed that the new 2-Month formulation, while being safe and tolerable, provided effective plasma concentrations of aripiprazole for two months.

No further clinical studies are expected to be required and as a next step the regulatory agencies in the U.S. and the EU will be approached. Scale-up of manufacturing capacity is progressing at Otsuka Pharmaceuticals with regulatory submission gated on completing build and validation of new manufacturing capacity at Otsuka. The new 2-Month formulation is an innovative addition to the LAI franchise and has patent protection until the early part of the next decade.

Lundbeck and Otsuka Pharmaceutical is planning to submit the aripiprazole 2-Month injectable formulation to the European Medicines Agency (EMA) for marketing authorization application (MAA) review by mid-2022. In addition, Lundbeck and Otsuka Pharmaceutical will submit the NDA for review by the U.S. FDA in mid-2022 as well.

Lu AG06466 – phase Ib

Lu AG06466 (formerly ABX1431) is an inhibitor of the monoacylglycerol lipase (MAGL) and selective modulator of the endocannabinoid system, and thereby works to reduce excessive neurotransmission and neuroinflammation that are known pathophysiological hallmarks for a range of psychiatric and neurological disorders. A phase Ib study was initiated in September 2020 with the purpose to investigate the effect of Lu AG06466 after multiple doses in patients with PTSD (NCT04597450). Additional phase Ib investigational studies were initiated in fibromyalgia patients in June 2021 (NCT04974359), in multiple sclerosis spasticity in September 2021 (NCT04990219) and in treatment resistant focal epilepsy in September 2021 (NCT05081518).

Lundbeck is planning further investigational studies with additional MAGL inhibitor compounds. Trials across the indications will assess a variety of common and innovative biomarkers to develop tools to help guide further late-stage development.

Lu AG06479 – phase I

Lu AG06479 (formerly ABX1762) is an inhibitor of the monoacylglycerol lipase (MAGL) and selective modulator of the endocannabinoid system, and thereby works to reduce excessive neurotransmission and neuroinflammation that are known pathophysiological hallmarks for a range of psychiatric and neurological disorders. A phase I study on Lu AG06479 commenced in July 2020. The purpose of this study is to investigate the safety, tolerability and pharmacokinetic of Lu AG06479 after single dose administration to healthy volunteers (NCT04473651). The distribution profile of this agent differs from Lu AG06466 in that it is only moderately brain penetrant.

Lu AF28996 – phase I

Lu AF28996 is a small molecule with agonistic properties towards D_1 and D_2 receptors. Continuous D_1 and D_2 dopamine receptor stimulation may play an important role in motor control of Parkinson's disease patients. A Phase 1b study was initiated in February 2020 on Lu AF28996 with the purpose to investigate the safety and tolerability as well as pharmacokinetics of Lu AF28996 in patients with Parkinson's disease (NCT04291859).

Protein aggregation, folding and clearance:

Lu AF82422 – phase II

Lu AF82422 is a monoclonal antibody (mAb) targeting the pathological form of the protein alpha-synuclein that is believed to play a pivotal role in the development and progression of multiple system atrophy (MSA), Parkinson's disease (PD) and other neurodegenerative disorders. By targeting pathological alpha-synuclein with an antibody that will inhibit aggregation and potentially clear pathological alpha-synuclein from the brain, the project aims to demonstrate delay of disease progression with a therapeutic effect on disease burden and function. Lu AF82422 has been demonstrated to be well-tolerated in a phase I single-ascending dose study, which was completed in July 2021. A phase II study (*AMULET*), was commenced in October 2021. The primary objective of the study is to evaluate the efficacy of Lu AF82422 versus placebo on disease progression in patients with MSA. Orphan drug designation for MSA was granted by EMA in April 2021.

Lu AF87908 – phase I

Lu AF87908 is a monoclonal antibody (mAb) targeting the pathological form of the hyper-phosphorylated tau protein, which is believed to play a pivotal role in the development and progression of Alzheimer's disease and other tau-driven neurodegenerative disorders (primary tauopathies). Lu AF87908 binds to a specific tau epitope (pS396-tau) which is a dominating phosphorylation site in pathological tau. A phase I program on Lu AF87908 commenced in September 2019 to investigate the safety and tolerability as well as pharmacokinetics of a single dose of Lu AF87908, in healthy subjects and patients with Alzheimer's Disease (NCT04149860).

Other projects

In October 2021, Lundbeck acquired an exclusive license to **Lu AG22525** (formerly APB-A1) from **AprilBio Co. Ltd** in South Korea. Lu AG22525 is a high affinity human mAb that blocks the CD40L/CD40 pathway through direct neutralization of CD40L and thereby affecting adaptive and innate blocks immune responses. Lu AG22525 holds strong promise in the treatment of a wide range of autoimmune-related CNS disorders and neurological diseases with autoreactive T-cells, B-cells and marked presence of autoantibodies and inflammation. An Investigational New Drug (IND) has been opened in the U.S. and hence Lu AG22525 is progressing towards First-in-Human testing.

In August 2021, Lundbeck entered into a research collaboration with **Rgenta Therapeutics.** Rgenta Therapeutics is a Cambridge based biotechnology company that is pioneering a world class custom designed platform to identify small molecules targeting RNA of disease-causing genes in neurological disorders. Through this partnership, Lundbeck will expand our approaches to address rare and orphan, neurology indications with high unmet need.

In July 2021, Lundbeck announced the licensing of global rights for idalopirdine to **Denovo Biopharma**, including all rights to develop, manufacture and commercialize idalopirdine for all indications. Denovo Biopharma aims to bring idalopirdine forward with a biomarker platform, applying its precision medicine to develop innovative therapies. Lundbeck holds the right to re-acquire idalopirdine, while the rights in China would be shared with Denovo Biopharma. Idalopirdine, was previously developed by Lundbeck, in collaboration with Otsuka, to relieve cognitive symptoms in Alzheimer's disease. The idalopirdine-project did not reach a successful outcome in a phase III trial in 2017.

Sustainability update

Acting with respect and integrity in everything we do

At Lundbeck, we pursue our business purpose guided by our Code of Conduct and Compliance Program that are fundamental elements in our Sustainability Strategy. The Compliance Program consists of carefully formed procedures that are brought to life by a global organization.

The Compliance Committee convenes members of the Executive Management and key compliance functions who define Lundbeck's ethical standards. The decisions by management are made operational in the Global Compliance Organization made up by Headquarter compliance functions and the 17 Regional Compliance Officers who support the global affiliates. Collectively, they help prevent misconduct, detect compliance issues and take prompt corrective and preventive action. The Board of Directors gets regular briefings on current developments.

The Compliance Program outlines the needed governance and activities, for instance annual assessment of risk, training, monitoring and management's review of the program's effectiveness. Below, we report on two quantitative Key Performance Indicators, the number of Compliance Hotline reports and performed Due Diligences:

- Our Compliance Hotline is a secure line for raising concerns about a potential violation of the Code of Conduct. It is a cornerstone in our Compliance Program that helps protecting Lundbeck. All reports are

investigated in line with our global procedure that safeguards the legal and civil rights of individuals who report, participate or are accused. The investigations are impartial, based on facts and can only be performed by competent employees. We receive and investigate 15-30 reports per year and approx. 40% of the raised concerns are substantiated. By end of September, the number of reports were 16, which is one more than the same time last year.

- The Due Diligence is a proactive and documented dialogue with possible providers of critical services or products to Lundbeck. The objective is to assess and verify that they respect human and labor rights, environmental protection and prevent corrupt behaviors. We continuously identify potential issues that are discussed with the provider. The issues are usually clarified, or remediation agreed. More rarely, we need to abandon the collaboration. During the third quarter, Lundbeck completed the Due Diligence assessment of 33 companies and identified six potential issues that were mitigated and will be monitored.

Sustainability Key Performance Indicators

Category	9M 2021	9M 2020	*Change (%)*
Energy (MWh)	**77,030**	73,732	*4.5%*
Carbon emissions Scope 1 & 2* (tones CO_2e)	**11,169**	10,816	*3.3%*
Frequency of lost time accidents (Frequency)	**6.3**	5.0	*26%*
Work-related accidents with absence (Number)	**17**	14	*21%*
Number of employees (FTE)	**5,588**	5,761	*(3%)*
Compliance Hotline reports (Number)	**16**	15	*7%*
Due diligences of supplier and third parties (Number)	**99**	52	*90%*

Note: See Lundbeck Sustainability Report 2020 for accounting principles and definitions.

* Does not include emissions from fleet of company cars which will be included in year-end results and are included in our SBTi target for Scope 1 & 2.

Comments to the other Sustainability Key Performance Indicators

Lundbeck is committed to climate neutrality and setting Science Based Targets. In February 2021, we announced a new 15-year climate target approved by the Science Based Target initiative (SBTi), which includes scope 3 emission and which we will start reporting progress on from FY2021 going forward.

Energy use and carbon emission by Q3 are up compared to 2020. Due to COVID-19 precautions in production areas in Valby, the use of ventilation has been increased and recirculation of air has been minimized, this have resulted in an increased heat consumption. Site Padova have used more methane due to technical and productive reasons (steam boiler units, RTO and production mix). Finally, site Lumsås have higher consumption of electricity and LPG due to the running and testing of the new RTO (Regenerative Thermal Oxidizer).

By the end of third quarter, the number of work-related accidents with absence reached 17, which gives an accident frequency of 6.3 (the target is 5.0). Accidents and near-misses are analyzed to identify the root cause and preventive actions are continuously being taken including training. The type and cause of accidents vary and there is no indication of a trend. Despite an increased preventive effort, the target for 2021 will be difficult to meet.

You can read more about Lundbeck's Sustainability Strategy on https://www.lundbeck.com/global/sustainability.

General corporate matters

Pending legal proceedings and regulatory

The Group is involved in a number of legal proceedings, including patent disputes, the most significant of which are described below. The outcome of these proceedings is not expected to have a material impact on the Group's financial position or cash flows beyond the amount already provided for in the financial statements, or it is too uncertain to make a reliable provision. Such proceedings will, however, develop over time, and new proceedings may occur which could have a material impact on the Group's financial position and/or cash flows.

In June 2013, Lundbeck received the European Commission's decision that agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining Lundbeck EUR 93.8 million (approximately DKK 700 million). Lundbeck paid and expensed the fine in the third quarter of 2013. In March 2021 the European Court of Justice rejected Lundbeck's final appeal of the European Commission's decision. So-called "follow-on claims" for reimbursement of alleged losses, resulting from alleged violation of competition law, often arise when decisions and fines issued by the European Commission are upheld by the European Court of Justice. Health authorities in the UK and an umbrella organization of Dutch health insurance companies have taken formal protective steps against Lundbeck with the principal purpose of preventing potential claims from being time-barred under the applicable statutes of limitation. In September 2021, the UK proceedings were transferred from the High Court to the Competition Appeal Tribunal at the request of the parties. Lundbeck expects that the UK health authorities will now pursue their alleged claims. Further, in late October 2021, Lundbeck received a writ of summons from a German health care company claiming compensation for an alleged loss of profit plus interest payments, allegedly resulting from Lundbeck's conclusion of agreements with two of the four generic competitors, which were comprised by the EU Court of Justice ruling. It may take several years before a final conclusion is reached by the German courts. Lundbeck disagrees with the claims and will defend itself against the claims.

In Canada, Lundbeck is involved in three product liability class-action lawsuits relating to Cipralex/Celexa® (two cases alleging various Celexa-induced birth defects and one case against several SSRI manufacturers (incl. Lundbeck) alleging that SSRI (Celexa/Lexapro) induces autism birth defect), three relating to Abilify Maintena (alleging i.a. failure to warn about compulsive behavior side effects) and one relating to Rexulti (also alleging i.a. failure to warn about compulsive behavior side effects). The cases are in the preliminary stages and as such there is significant uncertainty as to how these lawsuits will be resolved. Lundbeck strongly disagrees with the claims raised.

In 2018, the Group entered into settlements with three of four generic companies involved in an Australian federal court case, in which Lundbeck was pursuing patent infringement and damages claims over the sale of escitalopram products in Australia. Lundbeck received AUD 51.7 million (DKK 242 million) in 2018. In Lundbeck's case against the last of the four generic companies, Sandoz Pty Ltd, the Federal Court found that Sandoz Pty Ltd had infringed Lundbeck's escitalopram patent between 2009 and 2012 and awarded Lundbeck AUD 26.3 million in damages. Sandoz' appeal of the decision was heard in May 2019 and the Full Federal Court has in August 2020 allowed Sandoz' appeal and decided that Sandoz is not liable for damages. Lundbeck's application for special leave to appeal the decision to the High Court was granted in February 2021, and the appeal was heard on October 8, 2021. A decision is expected within 3 – 6 months from the hearing. If Lundbeck's appeal is successful, the case will go back to the Federal Court for recalculation and Lundbeck's appeal of the Australian Patent Office's decision to grant Sandoz a license will be restarted.

Together with Takeda, Lundbeck instituted patent infringement proceedings against 16 generic companies in response to their filing of Abbreviated New Drug Applications ("ANDAs") with the U.S. FDA seeking to obtain

marketing approval for generic versions of Trintellix in the U.S. Two opponents have since withdrawn and Lundbeck has settled with eight opponents. As communicated by Lundbeck in company release no. 706 dated October 1, 2021, the cases against the six remaining opponents (the “ANDA Filers”) has been decided by the U.S. District Court for the District of Delaware (the ‘Court’). The Court found that Lundbeck’s patent protecting the active ingredient in Trintellix, vortioxetine (U.S. Patent No. 7,144,884) is valid. The active ingredient patent expires on June 17, 2026, with an expected six-month pediatric exclusivity period extending to December 17, 2026. Assuming the ruling is confirmed at appeal, final approval will not be granted to the relevant ANDA Filers until after expiration of the active ingredient patent, including any extension or additional periods of exclusivity. A total of seven other patents comprised by the trial were found by the Court to be valid or their validity was not challenged during the trial. The Court decided that none of the seven other patents were found to be infringed by the relevant ANDA Filers, except that Lupin was found to infringe a patent covering Lundbeck’s process for manufacturing vortioxetine. Unless and until the Court’s ruling is reversed on appeal, the patents found not infringed by a particular ANDA Filer will not prevent that ANDA Filer from receiving final approval. For details on each of the patents comprised by the case, please see the company release no. 706. The Court’s decision may be appealed to the U.S. Court of Appeals for the Federal Circuit. Unless and until appealed, the Court’s decision stands.

Together with Otsuka Pharmaceutical, Lundbeck has instituted patent infringement proceedings against several generic companies that have applied for marketing authorization for generic versions of Rexulti in the U.S. Lundbeck has strong confidence in the Rexulti patents. The U.S. FDA cannot grant marketing authorization in the U.S. to the generic companies before the patents expire, unless the generic companies receive decisions in their favor. Trial is scheduled to begin on July 25, 2022. The compound patent, including patent term extensions, will expire in the U.S. on June 23, 2029. A patent for the specific formulation used will expire September 12, 2032.

Lundbeck received a Civil Investigative Demand (“CID”) from the U.S. Department of Justice (“DOJ”) in March 2020. The CID seeks information regarding the sales, marketing, and promotion of Trintellix. Lundbeck is cooperating with the DOJ.

In the U.S., Lundbeck is involved in three product liability lawsuits relating to Lexapro (alleging Lexapro induces birth defects). The cases are in the preliminary stages. Lexapro was marketed by Forest Labs. in the U.S. Lundbeck will vigorously defend against the claims raised.

Conference call

Today at 13.00 CET, Lundbeck will be hosting a conference call for the financial community. You can find dial-ins and a link for webcast online at www.lundbeck.com under the Investor section.

STATEMENT OF THE BOARD OF DIRECTORS AND THE REGISTERED EXECUTIVE MANAGEMENT

The Board of Directors and the Registered Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period January 1 - September 30, 2021. The interim report is presented in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of September 30, 2021, and of the results of the Group's operations and cash flows for the period, which ended on September 30, 2021.

In our opinion, the Management's Review gives a true and fair view of activity developments, the Group's general financial position and the results for the period. It also gives a fair view of the significant risks and uncertainty factors that may affect the Group relative to the disclosures in the Annual Report 2020.

The interim report has not been subject to audit or review.

Valby, November 10, 2021

Registered Executive Management

Deborah Dunsire President and CEO	Lars Bang Executive Vice President, Product Development & Supply	Anders Götzsche Executive Vice President, CFO
Per Johan Luthman Executive Vice President, Research & Development	Jacob Tolstrup Executive Vice President, Commercial Operations	

Board of Directors

Lars Søren Rasmussen Chairman of the Board	Lene Skole-Sørensen Deputy Chairman of the Board	Santiago Arroyo
Jeffrey Berkowitz	Lars Erik Holmqvist	Jeremy Max Levin
Ilse Dorothea Wenzel		
Rikke Kruse Andreasen Employee representative	Henrik Sindal Jensen Employee representative	Ludovic Tranholm Otterbein Employee representative

CONDENSED FINANCIAL STATEMENTS

Statement of profit or loss

DKK million	9M 2021	9M 2020	Q3 2021	Q3 2020	FY 2020
Revenue	12,246	13,397	4,013	4,463	17,672
Cost of sales	2,648	3,145	851	1,271	4,166
Gross profit	**9,598**	**10,252**	**3,162**	**3,192**	**13,506**
Sales and distribution costs	4,103	4,288	1,391	1,366	5,946
Administrative expenses	663	692	238	245	966
Research and development costs	2,828	3,662	1,007	951	4,545
Other operating expenses, net	-	51	-	5	59
Profit from operations (EBIT)	**2,004**	**1,559**	**526**	**625**	**1,990**
Net financials, expenses	311	72	114	72	84
Profit before tax	**1,693**	**1,487**	**412**	**553**	**1,906**
Tax on profit for the period	373	459	91	140	325
Profit for the period	**1,320**	**1,028**	**321**	**413**	**1,581**
Earnings per share, basic (EPS) (DKK)	6.64	5.17	1.62	2.08	7.96
Earnings per share, diluted (DEPS) (DKK)	6.64	5.17	1.62	2.08	7.96

Statement of comprehensive income

DKK million	9M 2021	9M 2020	Q3 2021	Q3 2020	FY 2020
Profit for the period	**1,320**	**1,028**	**321**	**413**	**1,581**
Actuarial gains/losses	-	-	-	-	(1)
Tax	-	-	-	-	1
Items that will not be reclassified subsequently to profit or loss	-	-	-	-	-
Exchange rate gains/losses on investments in foreign subsidiaries	637	(569)	283	(293)	(1.007)
Exchange rate gains/losses on additions to net investments in foreign subsidiaries	(103)	51	(18)	(2)	(21)
Hedging of net investments in foreign subsidiaries	(104)	186	(37)	120	356
Deferred exchange gains/losses, hedging	(206)	215	(65)	53	313
Deferred fair value of interest rate swaps	46	(111)	4	(9)	(90)
Exchange gains/losses, hedging (transferred to the hedged items)	(78)	50	24	30	(5)
Tax	99	(87)	21	(42)	(124)
Items that may be reclassified subsequently to profit or loss	**291**	**(265)**	**212**	**(143)**	**(578)**
Other comprehensive income	**291**	**(265)**	**212**	**(143)**	**(578)**
Comprehensive income	**1,611**	**763**	**533**	**270**	**1,003**

Condensed statement of financial position

DKK million	30.09.2021	30.09.2020	31.12.2020
Assets			
Intangible assets	22,725	23,632	22,738
Property, plant and equipment	2,789	2,652	2,733
Other financial assets	64	127	116
Other receivables	131	105	104
Deferred tax assets	278	260	233
Non-current assets	**25,987**	**26,776**	**25,924**
Inventories	2,756	2,205	2,163
Receivables	3,872	3,957	4,018
Securities	-	-	-
Cash and bank balances	2,504	3,703	3,924
Current assets	**9,132**	**9,865**	**10,105**
Assets	**35,119**	**36,641**	**36,029**
Equity and liabilities			
Share capital	996	996	996
Foreign currency translation reserve	611	497	134
Hedging reserve	(91)	45	95
Retained earnings	16,567	15,188	15,748
Equity	**18,083**	**16,726**	**16,973**
Retirement benefit obligations	284	290	288
Deferred tax liabilities	1,615	1,637	1,614
Provisions	81	179	139
Bank debt and bond debt	5,080	8,076	5,397
Lease liabilities	418	418	416
Other payables	474	1,211	1,190
Non-current liabilities	**7,952**	**11,811**	**9,044**
Retirement benefit obligations	2	1	2
Provisions	1,269	1,642	1,672
Bank debt	-	-	2,000
Trade payables	4,271	3,575	3,740
Lease liabilities	78	76	77
Income taxes payable	581	972	675
Other payables	2,883	1,838	1,846
Current liabilities	**9,084**	**8,104**	**10,012**
Liabilities	**17,036**	**19,915**	**19,056**
Equity and liabilities	**35,119**	**36,641**	**36,029**

Statement of changes in equity

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at 1 January 2021	**996**	**134**	**95**	**15,748**	**16,973**
Profit for the period	-	-	-	1,320	1,320
Other comprehensive income	-	477	(186)	-	291
Comprehensive income	**-**	**477**	**(186)**	**1,320**	**1,611**
Distributed dividends, gross	-	-	-	(498)	(498)
Dividends received, treasury shares	-	-	-	1	1
Buyback of treasury shares	-	-	-	(34)	(34)
Incentive programs	-	-	-	30	30
Tax on other transactions in equity	-	-	-	-	-
Other transactions	**-**	**-**	**-**	**(501)**	**(501)**
Equity at 30 September 2021	**996**	**611**	**(91)**	**16,567**	**18,083**

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at 1 January 2020	**996**	**882**	**(75)**	**14,979**	**16,782**
Profit for the period	-	-	-	1,028	1,028
Other comprehensive income	-	(385)	120	-	(265)
Comprehensive income	**-**	**(385)**	**120**	**1,028**	**763**
Distribution of dividends, gross	-	-	-	(816)	(816)
Dividends received, treasury shares	-	-	-	1	1
Capital increase through exercise of warrants	-	-	-	1	1
Buyback of treasury shares	-	-	-	(29)	(29)
Incentive programs	-	-	-	23	23
Tax on other transactions in equity	-	-	-	1	1
Other transactions	**-**	-	**-**	**(819)**	**(819)**
Equity at 30 September 2020	**996**	**497**	**45**	**15,188**	**16,726**

Condensed statement of cash flows

DKK million	9M 2021	9M 2020	Q3 2021	Q3 2020	FY 2020
Profit from operations (EBIT)	**2,004**	**1,559**	**526**	**625**	**1,990**
Adjustments for non-cash items	636	1,814	317	387	2,477
Change in working capital	(214)	(332)	514	183	(18)
Cash flows from operations before financial receipts and payments	**2,426**	**3,041**	**1,357**	**1,195**	**4,449**
Financial receipts and payments	(30)	(194)	65	(63)	(287)
Cash flows from ordinary activities	**2,396**	**2,847**	**1,422**	**1,132**	**4,162**
Income taxes paid	(507)	(70)	(203)	50	(325)
Cash flows from operating activities	**1,889**	**2,777**	**1,219**	**1,182**	**3,837**
Purchase and sale of securities and other financial assets	-	10	-	(13)	10
Purchase and sale of intangible assets and property, plant and equipment	(332)	(266)	(138)	(127)	(477)
Cash flows from investing activities	**(332)**	**(256)**	**(138)**	**(140)**	**(467)**
Cash flows from operating and investing activities (free cash flow)	**1,557**	**2,521**	**1,081**	**1,042**	**3,370**
Proceeds from loans and issue of bonds	400	-	-	-	3,701
Repayment of bank loans and borrowings	(2,802)	(873)	(250)	(532)	(5,169)
Capital increase through exercise of warrants	-	1	-	-	1
Dividends paid in the financial year, net	(497)	(815)	-	-	(815)
Other financing activities	(96)	(92)	(22)	(20)	(112)
Cash flows from financing activities	**(2,995)**	**(1,779)**	**(272)**	**(552)**	**(2,394)**
Net cash flow for the period	**(1,438)**	**742**	**809**	**490**	**976**
Cash and bank balances at beginning of period	3,924	3,008	1,691	3,241	3,008
Unrealized exchange gains/losses on cash and bank balances	18	(47)	4	(28)	(60)
Net cash flow for the period	(1,438)	742	809	490	976
Cash and bank balances at end of period	**2,504**	**3,703**	**2,504**	**3,703**	**3,924**
Interest-bearing debt, cash, bank balances and securities, net, is composed as follows:					
Cash and bank balances	2,504	3,703	2,504	3,703	3,924
Securities	-	-	-	-	-
Interest-bearing debt	(5,718)	(8,709)	(5,718)	(8,709)	(8,030)
Net cash/(net debt)	**(3,214)**	**(5,006)**	**(3,214)**	**(5,006)**	**(4,106)**

Statement of profit or loss – Core results reconciliation (9M)

9M 2021

DKK million	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	12,246	-	-	-	-	-	-	12,246
Cost of sales	2,648	(969)	-	-	-	-	-	1,679
Gross profit	**9,598**	**969**	**-**	**-**	**-**	**-**	**-**	**10,567**
Sales and distribution costs	4,103	-	-	-	-	-	-	4,103
Administrative expenses	663	-	-	-	-	-	-	663
Research and development costs	2,828	-	-	-	-	-	-	2,828
Other operating expenses, net	-	-	-	-	-	-	-	-
Profit from operations (EBIT)	**2,004**	**969**	**-**	**-**	**-**	**-**	**-**	**2,973**
Net financials, expenses	311	-	-	-	-	-	-	311
Profit before tax	**1,693**	**969**	**-**	**-**	**-**	**-**	**-**	**2,662**
Tax on profit for the period	373	206	-	-	-	-	-	579
Profit for the period	**1,320**	**763**	**-**	**-**	**-**	**-**	**-**	**2,083**
Earnings per share, basic (EPS)	6.64	3.84	-	-	-	-	-	10.48

9M 2020

DKK million	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	13,397	-	-	-	-	-	-	13,397
Cost of sales	3,145	(1,132)	(110)	-	-	-	-	1,903
Gross profit	**10,252**	**1,132**	**110**	**-**	**-**	**-**	**-**	**11,494**
Sales and distribution costs	4,288	-	-	-	-	-	-	4,288
Administrative expenses	692	-	-	-	-	-	-	692
Research and development costs	3,662	-	(792)	-	-	-	-	2,870
Other operating expenses, net	51	-	-	-	(51)	-	-	-
Profit from operations (EBIT)	**1,559**	**1,132**	**902**	**-**	**51**	**-**	**-**	**3,644**
Net financials, expenses	72	-	-	-	-	-	-	72
Profit before tax	**1,487**	**1,132**	**902**	**-**	**51**	**-**	**-**	**3,572**
Tax on profit for the period	459	175	26	-	12	-	-	672
Profit for the period	**1,028**	**957**	**876**	**-**	**39**	**-**	**-**	**2,900**
Earnings per share, basic (EPS)	5.17	4.82	4.41	-	0.20	-	-	14.60

Statement of profit or loss – Core results reconciliation (Q3)

Q3 2021

DKK million	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	4,013	-	-	-	-	-	-	4,013
Cost of sales	851	(300)	-	-	-	-	-	551
Gross profit	**3,162**	**300**	**-**	**-**	**-**	**-**	**-**	**3,462**
Sales and distribution costs	1,391	-	-	-	-	-	-	1,391
Administrative expenses	238	-	-	-	-	-	-	238
Research and development costs	1,007	-	-	-	-	-	-	1,007
Other operating expenses, net	-	-	-	-	-	-	-	-
Profit from operations (EBIT)	**526**	**300**	**-**	**-**	**-**	**-**	**-**	**826**
Net financials, expenses	114	-	-	-	-	-	-	114
Profit before tax	**412**	**300**	**-**	**-**	**-**	**-**	**-**	**712**
Tax on profit for the period	91	69	-	-	-	-	-	160
Profit for the period	**321**	**231**	**-**	**-**	**-**	**-**	**-**	**552**
Earnings per share, basic (EPS)	1.62	1.16	-	-	-	-	-	2.78

Q3 2020

DKK million	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	4,463	-	-	-	-	-	-	4,463
Cost of sales	1,271	(421)	(110)	-	-	-	-	740
Gross profit	**3,192**	**421**	**110**	**-**	**-**	**-**	**-**	**3,723**
Sales and distribution costs	1,366	-	-	-	-	-	-	1,366
Administrative expenses	245	-	-	-	-	-	-	245
Research and development costs	951	-	-	-	-	-	-	951
Other operating expenses, net	5	-	-	-	(5)	-	-	-
Profit from operations (EBIT)	**625**	**421**	**110**	**-**	**5**	**-**	**-**	**1,161**
Net financials, expenses	72	-	-	-	-	-	-	72
Profit before tax	**553**	**421**	**110**	**-**	**5**	**-**	**-**	**1,089**
Tax on profit for the period	140	70	26	-	1	-	-	237
Profit for the period	**413**	**351**	**84**	**-**	**4**	**-**	**-**	**852**
Earnings per share, basic (EPS)	2.08	1.77	0.42	-	0.02	-	-	4.29

Notes

Note 1: Accounting policies

The interim condensed consolidated financial statements for the nine months ended September 30, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2020, published February 4, 2021. The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2020.

The comparative figures for the nine months of 2020 are adjusted to reflect the changes related to the reversal of the impairment loss of the product rights of Rexulti in 2017 and related amortization as well as other reclassifications to better reflect the company's financial position.

A number of new amendments came into effect from January 1, 2021. None of the amendments are expected to have a material impact on the accounting policies and/or on the condensed consolidated financial statements.

Note 2: Fair value measurement

Financial assets and financial liabilities measured or disclosed at fair value	**Level 1** (DKKm)	**Level 2** (DKKm)	**Level 3** (DKKm)
2021:			
Financial assets			
Other financial assets[1]	27	-	37
Derivatives[1]	-	59	-
Total	**27**	**59**	**37**
Financial liabilities			
Contingent consideration[1]	-	-	1,564
Derivatives[1]	-	175	
Bank debt[2]	-	1,381	-
Bond debt[2]	3,795	-	-
Total	**3,795**	**1,556**	**1,564**
2020:			
Financial assets			
Securities	-	-	-
Other financial assets[1]	90	-	37
Derivatives[1]	-	487	-
Total	**90**	**487**	**37**
Financial liabilities			
Contingent consideration[1]	-	-	1,131
Derivatives[1]	-	307	-
Bank debt[2]	-	8,076	-
Total	**-**	**8,383**	**1,131**

1) Measured at fair value. 2) Disclosed at fair value

The fair value of securities is based on publicly quoted prices of the invested assets. The fair value of derivatives is calculated by applying recognized measurement techniques, whereby assumptions are based on the market conditions prevailing at the balance sheet date. The fair value of contingent consideration is calculated as the discounted cash outflows (DCF method) from future milestone payments, taking probability of success into consideration. During Q1 2021, the fair value related to future milestones in Alder BioPharmaceuticals (subsequently changed to Lundbeck Seattle BioPharmaceuticals, Inc.) has been reassessed generating an increase in the financial liabilities of DKK 273 million against goodwill and deferred taxes.

The fair value adjustment of contingent consideration amounts to a net loss of DKK 108 million as a result of changes in the time value of the contingent value rights and sales milestones. Total contingent consideration amounted to DKK 1,564 million at September 30, 2021 (DKK 1,108 million at December 31, 2020) and is affected by the fair value adjustment, the reassessment of future milestones and related exchange rate adjustments (amounting to DKK 75 million). The carrying amount of other receivables, trade receivables, prepayments, other debt, trade payables and other payables is believed to be equal to or close to fair value.

Note 3: Contingent assets and contingent liabilities

Pending legal proceedings

In June 2013, Lundbeck received the European Commission's decision that agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining Lundbeck EUR 93.8 million (approximately DKK 700 million). Lundbeck paid and expensed the fine in the third quarter of 2013. In March 2021 the European Court of Justice rejected Lundbeck's final appeal of the European Commission's decision. So-called "follow-on claims" for reimbursement of alleged losses, resulting from alleged violation of competition law, often arise when decisions and fines issued by the European Commission are upheld by the European Court of Justice. Health authorities in the UK and an umbrella organization of Dutch health insurance companies have taken formal protective steps against Lundbeck with the principal purpose of preventing potential claims from being time-barred under the applicable statutes of limitation. In September 2021 the UK proceedings were transferred from the High Court to the Competition Appeal Tribunal at the request of the parties. Lundbeck expects that the UK health authorities will now pursue their alleged claims. Further, in late October 2021, Lundbeck received a writ of summons from a German health care company claiming compensation for an alleged loss of profit plus interest payments, allegedly resulting from Lundbeck's conclusion of agreements with two of the four generic competitors, which were comprised by the EU Court of Justice ruling. It may take several years before a final conclusion is reached by the German courts. Lundbeck disagrees with the claims and will defend itself against the claims.

Note 4: EBITDA calculation

DKK million	9M 2021	9M 2020	Q3 2021	Q3 2020	FY 2020
EBIT	2,004	1,559	526	625	1,990
+ Depreciation, amortization and impairment losses	1,276	2,222	407	520	2,793
= EBITDA	**3,280**	**3,781**	**933**	**1,145**	**4,783**

Note 5: Core reporting

As a general rule, Lundbeck adjusts for amortization of product rights and for each non-recurring item that Management deems exceptional and which accumulates or is expected to accumulate to an amount exceeding a DKK 100 million threshold. Lundbeck's core reporting is a non-IFRS performance measurement. Lundbeck's core results, including core operating income (core EBIT) and core EPS, exclude:

Amortization of product rights

Impairment of intangible assets and property, plant and equipment as well as inventory valuation adjustment

Major restructuring costs

Acquisition and integration costs, including:

- Accounting adjustments relating to the consolidation of material acquisitions and disposals of associates, products and businesses

- Costs associated with the integration of newly acquired companies
- Retention costs
- Transaction costs

Legal fees and settlements, including:

- Legal costs (external), charges (net of insurance recoveries) and expenses related to settlement of litigations, government investigations and other disputes
- Income from settlements of litigations and other disputes

Divestments/milestones, including:

- Income/expenses from discontinued operations
- Gains/losses on divestments of assets
- Received or expensed upfront sales and development milestones

The adjusted core result is taxed at the underlying corporate tax rate.

FINANCIAL CALENDAR 2022

8 February 2022:	Deadline for the company's receipts of shareholder proposals for the Annual General Meeting 2022
9 February 2022:	Financial statements for the full year 2021
9 February 2022:	Annual Report 2021 (PDF)
23 March 2022:	Lundbeck Annual General Meeting 2022
26 March 2022:	Dividends for 2021 at the disposal of shareholders
11 May 2022:	Financial statements for the first three months of 2022
17 August 2022:	Financial statements for the first six months of 2022
9 November 2022:	Financial statements for the first nine months of 2022

Lundbeck contacts

Investors:

Palle Holm Olesen
Vice President, Investor Relations
PALO@lundbeck.com
+45 30 83 24 26

Media:

Thomas Mikkel Mortensen
Media Relations Lead
THMR@lundbeck.com
+45 36 43 40 00

About Lundbeck

H. Lundbeck A/S (LUN.CO, LUN DC, HLUYY) is a global pharmaceutical company specialized in brain diseases. For more than 70 years, we have been at the forefront of neuroscience research. We are tirelessly dedicated to restoring brain health, so every person can be their best.

Too many people worldwide live with brain diseases – complex conditions often invisible to others that nonetheless take a tremendous toll on individuals, families and societies. We are committed to fighting stigma and discrimination against people living with brain diseases and advocating for broader social acceptance of people with brain health conditions. Every day, we strive for improved treatment and a better life for people living with brain disease.

We have approximately 5,600 employees in more than 50 countries, and our products are available in more than 100 countries. Our research programs tackle some of the most complex challenges in neuroscience, and our pipeline is focused on bringing forward transformative treatments for brain diseases for which there are few, if any therapeutic options. We have research facilities in Denmark and the United States, and our production facilities are located in Denmark, France, and Italy. Lundbeck generated revenue of DKK 17.7 billion in 2020 (EUR 2.4 billion; USD 2.7 billion).

For additional information, we encourage you to visit our corporate site www.lundbeck.com and connect with us on Instagram (h_lundbeck), Twitter at @Lundbeck and via LinkedIn.